



Adopted in House Comm. on Nov 17, 2010

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LRB096 06603 JDS 44019 a

1 AMENDMENT TO SENATE BILL 550

2 AMENDMENT NO. _____. Amend Senate Bill 550 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Section 1-160 as follows:

6 (40 ILCS 5/1-160)

7 Sec. 1-160. Provisions applicable to new hires.

8 (a) The ~~The~~ provisions of this Section apply to a person
9 who first becomes an employee and a participant under any
10 retirement system or pension fund under this Code, other than a
11 retirement system or pension fund established under Article 2,
12 3, 4, 5, 6, or 18 of this Code, on or after the effective date
13 of this amendatory Act of the 96th General Assembly
14 notwithstanding any other provision of this Code to the
15 contrary, but do not apply to any self-managed plan established
16 under this Code, to any person with respect to service as a

1 sheriff's law enforcement employee under Article 7, or to any
2 participant of the retirement plan established under Section
3 22-101.

4 (b) "Final average salary" means the average monthly salary
5 obtained by dividing the total salary of the participant during
6 the 96 consecutive months of service within the last 120 months
7 of service in which the total salary was the highest by the
8 number of months of service in that period; however, the annual
9 final average salary may not exceed \$106,800, as automatically
10 increased by the lesser of 3% or one-half of the annual
11 increase in the consumer price index-u during the preceding
12 12-month calendar year. For the purposes of a person who first
13 becomes an employee of any retirement system or pension fund to
14 which this Section applies on or after the effective date of
15 this amendatory Act of the 96th General Assembly, in this Code,
16 "final average salary" shall be substituted for the following:

17 (1) In Articles 7 (except for service as sheriff's law
18 enforcement employees) and 15, "final rate of earnings".

19 (2) In Articles 8, 9, 10, 11, and 12, "highest average
20 annual salary for any 4 consecutive years within the last
21 10 years of service immediately preceding the date of
22 withdrawal".

23 (3) In Article 13, "average final salary".

24 (4) In Article 14, "final average compensation".

25 (5) In Article 17, "average salary".

26 (6) In Section 22-207, "wages or salary received by him

1 at the date of retirement or discharge".

2 For the purposes of this Section, "consumer price index-u"
3 means the index published by the Bureau of Labor Statistics of
4 the United States Department of Labor that measures the average
5 change in prices of goods and services purchased by all urban
6 consumers, United States city average, all items, 1982-84 =
7 100. The new amount resulting from each annual adjustment shall
8 be determined by the Public Pension Division of the Department
9 of Insurance and made available to the boards of the retirement
10 systems and pension funds.

11 (c) A participant is entitled to a retirement annuity
12 beginning on the date specified by the participant in a written
13 application only if, on that specified date, he or she has
14 attained age 67 and has at least 10 years of service credit.

15 A participant who has attained age 62 and has at least 10
16 years of service credit may elect to receive the lower
17 retirement annuity provided in subsection (d) of this Section.

18 (d) The retirement annuity of a participant who is retiring
19 after attaining age 62 with at least 10 years of service credit
20 shall be reduced by one-half of 1% for each month that the
21 member's age is under age 67.

22 (e) Any retirement annuity or supplemental annuity shall be
23 subject to annual increases upon (1) attainment of age 67 or
24 (2) the first anniversary of the commencement of the annuity,
25 whichever occurs later. Each annual increase shall be
26 calculated at 3% or one-half the annual increase in the

1 consumer price index-u for the preceding calendar year,
2 whichever is less, of the originally granted retirement
3 annuity. If the increase in the consumer price index-u for the
4 preceding calendar year is zero or there is a decrease, then
5 the annuity shall not be increased.

6 (f) The initial survivor's annuity of an otherwise eligible
7 survivor of a participant who first becomes a participant on or
8 after the effective date of this amendatory Act of the 96th
9 General Assembly shall be in the amount of $66 \frac{2}{3}\%$ of the
10 participant's earned retirement annuity at the date of death
11 and shall be increased (1) on each January 1 occurring on or
12 after the commencement of the annuity if the deceased member
13 died while receiving a retirement annuity or (2) in other
14 cases, on each January 1 occurring after the first anniversary
15 of the commencement of the annuity. Each annual increase shall
16 be calculated at 3% or one-half the annual increase in the
17 consumer price index-u for the preceding calendar year,
18 whichever is less, of the originally granted survivor's
19 annuity. If the increase in the consumer price index-u for the
20 preceding calendar year is zero or there is a decrease, then
21 the annuity shall not be increased.

22 (g) The benefits in Section 14-110 apply only if the person
23 is a State policeman, a fire fighter in the fire protection
24 service of a department, or a security employee of the
25 Department of Corrections or the Department of Juvenile
26 Justice, as those terms are defined in subsection (b) of

1 Section 14-110. A person who meets the requirements of this
2 Section is entitled to an annuity calculated under the
3 provisions of Section 14-110, in lieu of the regular or minimum
4 retirement annuity, only if the person has withdrawn from
5 service with not less than 20 years of eligible creditable
6 service and has attained age 60, regardless of whether the
7 attainment of age 60 occurs while the person is still in
8 service.

9 (h) If a person who first becomes a member of a retirement
10 system or pension fund subject to this Section on or after the
11 effective date of this amendatory Act of the 96th General
12 Assembly is receiving a retirement annuity or retirement
13 pension under that system or fund and accepts employment in a
14 position covered under the same Article or any other Article of
15 this Code on a full-time basis, then the person's retirement
16 annuity or retirement pension under that system or fund shall
17 be suspended during that employment. Upon termination of that
18 employment, the person's retirement annuity or retirement
19 pension payments shall resume and, if appropriate, be
20 recalculated under the applicable provisions of this Code.

21 (i) Notwithstanding any other provision of this Section, a
22 person who first becomes a participant of the retirement system
23 established under Article 15 on or after the effective date of
24 this amendatory Act of the 96th General Assembly shall have the
25 option to enroll in the self-managed plan created under Section
26 15-158.2 of this Code.

1 (j) In the case of a conflict between the provisions of
2 this Section and any other provision of this Code, the
3 provisions of this Section shall control.

4 (Source: P.A. 96-889, eff. 1-1-11.)"